

# Exhibit D

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

EMERSON ELECTRIC CO., )  
)  
Plaintiffs, )  
) C.A. No. 17-1846-LPS-JLH  
v. )  
)  
EMERSON QUIET KOOL CO., LTD. )  
And HOME EASY LTD., )  
)  
Defendants. )

Thursday, September 17, 2020  
3:02 p.m.  
Discovery Dispute  
Teleconference

BEFORE: THE HONORABLE JENNIFER L. HALL  
United States District Court Magistrate Judge

APPEARANCES:

YOUNG CONAWAY STARGATT & TAYLOR, LLP  
BY: ADAM W. POFF, ESQUIRE

-and-

HARNESS DICKEY & PIERCE, PLC  
BY: JOEL R. SAMUELS, ESQUIRE  
BY: GEORGE D. MOUSTAKAS, ESQUIRE

For the Plaintiff

1 APPEARANCES CONTINUED:

2 PANITCH SCHWARZE BELISARIO & NADEL, LLP  
3 BY: JOHN D. SIMMONS, ESQUIRE  
4 BY: KEITH A. JONES, ESQUIRE

5 For the Defendants

6 \*\*\* PROCEEDINGS \*\*\*

7 THE COURT: Good afternoon, counsel. This is  
8 Jennifer Hall. We're here on the phone today for a  
9 discovery dispute teleconference in *Emerson Electric Company*  
10 *vs. Emerson Quiet Kool Company Limited and Home Easy*  
11 *Limited*. That's Civil Action Number 17-1846-LPS-JLH.

12 Who is on the phone today for plaintiff?

13 MR. POFF: Good afternoon, Your Honor. It's  
14 Adam Poff for Young Conaway. And with me from Harness  
15 Dickey, we have George Moustakas and Joel Samuels.

16 THE COURT: Good afternoon. Who do we have on  
17 the line for defendant?

18 MR. SIMMONS: Good afternoon, Your Honor. This  
19 is John Simmons of Panitch Schwarze, and with me, my  
20 colleague, Keith Jones.

21 THE COURT: Good afternoon. And do we have the  
22 plaintiff from the case in New Jersey, by any chance, or are  
23 we just going with the plaintiff and defendant from the case  
24 here today?

25 MR. SAMUELS: No, Your Honor. The plaintiff

1 from New Jersey is not here. It's a separate case.

2 THE COURT: I understand that they're in a  
3 separate case, but I understand they may have an interest in  
4 the documents to the extent privilege is being asserted. So  
5 we'll just say for the record they are not on the line  
6 today.

7 So we are proceeding via teleconference.  
8 Hopefully, everyone can hear me okay. Unfortunately, the  
9 Court's telephone and much of the computer system has been  
10 down for the entirety of today, so I'm talking to you via  
11 the speaker on my iPhone.

12 The court reporter today is Heather Triozzi.  
13 She is remotely dialed in. My courtroom deputy is also  
14 dialed in remotely.

15 I'm here at the courthouse. I do have paper  
16 copies of the parties' letters and exhibits. I have  
17 reviewed them as well as most, if not all, of the cases  
18 cited therein. So we'll give each side a chance to say  
19 anything they want to say in addition to what they've said  
20 in their letters. I do have a couple of questions as well,  
21 but hopefully this won't take more than a few minutes.

22 So we'll give each side five minutes to say  
23 anything additional they want to say. But of course,  
24 there's no need to use all that time if you don't need it.

25 This motion was brought by defendants, so we'll

1 let defendants go first.

2 MR. SIMMONS: Thank you, Your Honor. This is  
3 John Simmons speaking. Knowing that I have five minutes,  
4 I'll jump right to the point.

5 We believe that this common interest privilege  
6 does not exist between these two separate entities. Emerson  
7 Radio, Emerson Electric, and Emerson Quiet Kool are all  
8 separate distinct entities. They're not -- none of them are  
9 commonly owned. And Emerson Electric and Emerson Radio each  
10 admitted that they're asserting separate trademark rights.

11 And Emerson Radio's rights that's described in  
12 our footnote one were derived from Victor Emerson -- Emerson  
13 Photograph which became Emerson Radio. And Emerson Quiet  
14 Kool became a trademark after a conglomerate bought Emerson  
15 Radio and created the brand Emerson Quiet Kool portable  
16 air-conditioners. That conglomerate sold the two entities  
17 off separately, and those two companies were separate, and  
18 they have an agreement that says that there's no confusion  
19 between Emerson Radio and Emerson Quiet Kool for  
20 air-conditioners.

21 Emerson Electric separately doesn't make  
22 air-conditioners, and they have consented to the Emerson  
23 Quiet Kool mark. So we've always been curious why these two  
24 companies think that they can bring a trademark action  
25 against a Emerson Quiet Kool. We assert that they can't

1 have separate trademark rights and have a common interest.  
2 They say they have a common legal interest, but they're  
3 asserting separate cases. If they're in separate cases,  
4 then they can't have a common legal interest.

5 I will note that the plaintiff complains that  
6 Magistrate Judge Kiel has already considered the same  
7 arguments and denied our motion to compel in New Jersey, but  
8 that's not exactly accurate. Our New Jersey case was in a  
9 different posture. Discovery -- document discovery was over  
10 back in late November, and that's -- we hadn't even heard of  
11 the common interest agreement by the time document discovery  
12 had closed in New Jersey.

13 It wasn't until we subpoenaed Emerson Electric  
14 because Emerson Radio wasn't being forthright with its  
15 discovery responses that Mr. Moustakas actually informed us  
16 that there's a common interest there, much to our surprise.  
17 Now, Emerson Radio had refused to produce documents based  
18 upon boilerplate such as overly broad, vague, and frivolous,  
19 but never mentioned the common interest agreement.

20 So we did actually bring a discovery letter like  
21 this one in New Jersey after document discovery was over.  
22 At the same time, Emerson Radio was complaining that we  
23 hadn't produced all our documents. So we went to a status  
24 conference with Judge Kiel, and this is after discovery is  
25 closed, and he didn't hear oral arguments. He just

1 basically said in his chambers, I'm denying both of you. Go  
2 to mediation and try to work this out. And if that doesn't  
3 work, have expert discovery.

4 There's no transcript and there was no official  
5 argument on the matter. And discovery was closed, so we  
6 didn't actually do a motion to compel at that point.

7 Fast forward. Emerson Electric's discovery just  
8 began this summer. By the way, Judge Kiel also ordered that  
9 a privilege log be provided about all the communications  
10 which we didn't get for six months from Emerson Radio, even  
11 though we followed up on it. It was during the pandemic.  
12 There are issues of delay.

13 But Emerson Electric, nonetheless, discovery  
14 started here. So we're in a different place in that case.  
15 When we met and conferred with Emerson Electric, they  
16 initially refused to produce a privilege log. They  
17 eventually did on the day that our motion was due. And when  
18 we compared the privilege logs, and you'll notice in our  
19 footnote six when we only had a few minutes to compare them,  
20 there are 45 entries that are in Emerson Electric's log that  
21 are not on Emerson Radio's. And there are 15 entries on  
22 Emerson Radio's that aren't on Emerson Electric's.

23 So when we had further time to consider what was  
24 going on with the logs, we noticed that there's 28 entries  
25 on Emerson Radio's log before they filed their lawsuit, and

1     only seven entries on Emerson Electric's log before they  
2     filed the lawsuit on July 21st, 2017 in New Jersey. Emerson  
3     Electric didn't file suit until August, but they were  
4     communicating back and forth before the lawsuit was brought.

5             So what we're asking is to be truly rid of the  
6     matter. We do not believe that these two separate entities  
7     with two separate and legally distinct trademark  
8     registrations have an actual common legal interest, and it's  
9     their burden to prove it. We're asking that you rule on  
10    whether the common interest is actually a legal interest in  
11    this case.

12            And to do so, we're asking you to do an in  
13    camera review of the documents. So they cite to a case to  
14    MLB Properties. MLB Properties was an entity created by  
15    Major League Baseball to license MLB sports selling  
16    merchandise. In this case, the defendant challenged the  
17    common interest between MLB's in-house counsel and its  
18    subsidiary, MLB Properties.

19            Now, they did find that there was a common  
20    interest there which makes sense. They're the same entity.  
21    It's a parent and/or subsidiary. But literally in that  
22    case, the judge provided an in camera review of the  
23    documents to determine that they were legal communications.  
24    That's what we're asking for today.

25            We'd also point out in our letters that Judge



1 Burke in Invidi Technologies extensively considered this  
2 common interest privilege. And in that case, he also  
3 performed an in camera review of documents.

4 So what's our basis to say that we think these  
5 communications are commercial? Emerson Electric doesn't  
6 sell air-conditioners, and they consented in 2011 of the  
7 filing of the Emerson Quiet Kool intent to use trademark  
8 application. That way there wouldn't be confusion between  
9 their products and Emerson Quiet Kool air-conditioners.  
10 Emerson Radio can't sell air-conditioners.

11 So we have basis or reason to believe that these  
12 two entities want to drive our three-person company out of  
13 business so they can take over the air-conditioner business.  
14 That's a commercial interest, not legal.

15 It's fairly supportive of the fact that Emerson  
16 Electric in China filed trademark registrations for the  
17 Emerson Quiet Kool mark and is now trying to prevent our  
18 client from shipping its product out of China. They don't  
19 make Emerson Quiet Kool branded air-conditioners in China.  
20 Emerson Electric doesn't.

21 So clearly, there's some kind of commercial  
22 interest in these emails, and that's what we want you to  
23 take a look at.

24 Any questions, Your Honor?

25 THE COURT: Sorry, I was on mute. No questions

1 from me.

2 MR. SIMMONS: Okay.

3 MR. SAMUELS: I'm sorry, Your Honor. This is  
4 Joel Samuels. Did you ask counsel for Emerson to go ahead?

5 THE COURT: Please proceed.

6 MR. SAMUELS: Your Honor, my name is Joel  
7 Samuels. Emerson Electric's position is that the common  
8 interest privilege applies, and these documents are  
9 protected from disclosure by the common interest privilege  
10 and the work-product doctrine.

11 As counsel noted, Judge Kiel did accept briefing  
12 and decide this issue and found that Emerson Electric and  
13 Emerson Radio do have a common legal interest in stopping  
14 defendant's infringement. In this case -- (inaudible) --  
15 trademark agreement between Emerson Electric and Emerson  
16 Radio which does a number of things, but part of it is it's  
17 a little --

18 THE REPORTER: I'm sorry. You're cutting out,  
19 and I'm not getting what you're saying.

20 MR. SAMUELS: I'm sorry?

21 THE REPORTER: You cut out for a couple of  
22 seconds, and I didn't hear what you said.

23 THE COURT: Counsel, this is Judge Hall. I  
24 believe we're hearing from the court reporter that you are  
25 cutting out. And in fact, you are cutting out on my end as

1 well.

2 MR. SAMUELS: I apologize to both of you. I was  
3 saying that Emerson Electric believes that the common  
4 interest doctrine applies. We have submitted three things  
5 for the Court's consideration. The first is a general  
6 trademark agreement between Emerson Electric and Emerson  
7 Radio which, among other things, states that the parties  
8 have an interest in upholding the validity of the Emerson  
9 marks and in stopping infringement by third parties. And  
10 there's obligations for the parties to enforce their marks.  
11 So I direct the Court to Section 11 of that agreement which  
12 is Exhibit 4 to our letter brief.

13 The second thing we've provided is the common  
14 interest agreement between the parties, that is Emerson  
15 Radio and Emerson Electric that concerns these, the  
16 litigation and defendants, and memorializes the common  
17 interest that the parties share in stopping defendants'  
18 infringement and further states that the communications and  
19 information that have been exchanged would not have been  
20 exchanged except for the shared common legal interest.

21 And the third thing that we submit is the  
22 privilege log, consistent with what Judge Kiel ordered,  
23 which identifies the documents as a basis for those claims.  
24 We don't believe defendants have demonstrated that the  
25 privilege does not apply or that work product should be set

1     aside. We note that there was no reconsideration to Judge  
2     Kiel's order filed or a request for review by the district  
3     court judge.

4             We further note that the common interest applies  
5     to unrelated entities. There are no requirements for the  
6     parties to share ownership, or employees, or other  
7     connection. All that has to be found is that there's a  
8     shared legal interest in common. And in fact, parties could  
9     have adverse positions on other things. They just need to  
10    have a shared legal interest. And here, both Emerson Radio  
11    and Emerson Electric have an interest in upholding the  
12    validity of the Emerson marks.

13            And two final things if the Court will permit me  
14    is counsel has mentioned that these documents are necessary  
15    and may show some inclusion or attempt to drive defense out  
16    of business.

17            First, there's no basis for that. There's no  
18    evidence of that.

19            And second, respectfully, that's just not true.  
20    This is a trademark infringement case where we are seeking  
21    relief which is to have defendant stop using an infringing  
22    Emerson mark. If defendants adopt a different mark, like  
23    one that they've already registered in the U.K., that would  
24    go a long way to resolving all the issues in this case. If  
25    not resolve all of them.

1                   And so if they want to go in business and sell  
2                   air-conditioners, they can completely do so. There's no  
3                   collusion here. There's no theory for that, and there's no  
4                   evidence of that.

5                   So the enforcement of IT has been upheld with  
6                   the common interest between unrelated entities. We have  
7                   cited some of those cases in our briefing. And Your Honor,  
8                   I'd use any of the time to answer any questions that you may  
9                   have.

10                  THE COURT: Can you just put on the record who  
11                  some of these people are? I'm looking at Exhibit D,  
12                  defendant's letter. It looks like most of the  
13                  communications on the first couple of the pages seem to be  
14                  Susan Goldsmith and Lisa DuRoss. Mike Brennan.

15                  MR. SAMUELS: Lisa DuRoss is counsel for Emerson  
16                  Electric in this case.

17                  THE COURT: Do you know who the other folks are?

18                  MR. SAMUELS: Your Honor, so all the parties at  
19                  Orrick with an Orrick domain and all the people at a  
20                  McCarter domain are counsel, either partners, or attorneys,  
21                  or maybe even a paralegal at an outside counsel firm for  
22                  Emerson Radio.

23                  The address for Mark Anania at his firm at  
24                  McCarter. Again, he is now counsel for Emerson Radio. And  
25                  I understand that counsel for radio switched from Orrick to

1       McCarter & English.

2                   And all the HDP addresses are either partners,  
3       or associates, or staff of HDP, which is Harness Dickey.

4                   THE COURT: Thank you, counsel. All right.

5       Let's turn it back over to defendant one minute for the last  
6       word and start by answering the question: Is there an  
7       antitrust claim at issue in this case?

8                   MR. SIMMONS: No, Your Honor. Our point is to  
9       point out that there's a commercial interest, not a legal  
10      interest. We're entitled to know the scope of what these  
11      two parties think their rights are. They have separate  
12      trademarks. They filed separate lawsuits. If they have a  
13      common legal interest, I would expect Emerson Radio would  
14      have been joined as a co-plaintiff in the case in Delaware.  
15      They're not a corporation. They're not. So their interests  
16      aren't identical. They admit that they're separate.

17                  And the agreement that he points to which is  
18      Exhibit 4 of ECX64, it's a 37-page general trademark  
19      agreement. And Exhibit C and D, they have over six pages of  
20      what one party can do and the other party can't. That was  
21      back in 2004.

22                  And there's six pages, not one of them mentions  
23      portable air-conditioners or window air-conditioners. So  
24      we're entitled to know what these parties believe are their  
25      trademark rights respectively separately, and that's why we

1 don't think the common legal interest applies here.

2 They don't have a common interest. They can't  
3 create a contract, then somehow claim privilege over it, and  
4 hide behind it. They use it as a sword and a shield at the  
5 same time. And all we are asking is that the Court do an in  
6 camera review of documents so you can better decide whether  
7 or not the privilege applies. It is their burden to prove  
8 the privilege applies.

9 That's all I have to say, Your Honor.

10 THE COURT: Well, I haven't closely reviewed all  
11 97 entries in Exhibit B. Is it a fair characterization that  
12 most, if not all, of these entries are between outside  
13 counsel for plaintiff in this case and outside counsel for  
14 plaintiff in the New Jersey case?

15 MR. SAMUELS: Yes, Your Honor.

16 MR. SIMMONS: I don't know if this would also  
17 include in-house counsel for Emerson Electric. I thought  
18 that was the person that you just named was in-house counsel  
19 and whether that person was acting in a business capacity or  
20 a legal capacity.

21 MR. SAMUELS: Your Honor, this is Joel Samuels  
22 for Emerson Electric. All of the individuals identified on  
23 Emerson Electric's log are outside counsel or employees of  
24 outside counsel.

25 THE COURT: Very good. Thank you, counsel. All

1 right, counsel. I'm ready to rule on this dispute.

2 As an initial matter, I'm skeptical about the  
3 application of attorney-client privilege to the  
4 communications at issue, particularly because I'm not  
5 convinced that the parties have the same legal interest in  
6 that they had different trademarks. However, I do not need  
7 to reach that issue, and I am specifically not going to  
8 reach that issue because I agree that the communications  
9 don't amount to a waiver of work product.

10 The work-product doctrine, unlike the  
11 attorney-client privilege, is not automatically waived upon  
12 disclosure to a third party. Rather, it's only waived if  
13 the circumstances surrounding the disclosure evidence  
14 conscious disregard of the possibility that --

15 (Music playing.)

16 THE COURT: Counsel, can you hear me?

17 MR. SAMUELS: Yes, Your Honor.

18 MR. SIMMONS: Yes, Your Honor.

19 THE COURT: Did you just hear some music that  
20 was interrupting? I'm in the middle of my ruling. Can I  
21 just hear from counsel for plaintiff, could you hear that I  
22 was ruling on the dispute?

23 MR. SAMUELS: Yes, Your Honor.

24 THE COURT: Okay. Very good. All right.

25 So again, I'll start where I left off. Rather



1 work-product doctrine and work-product protection is only  
2 waived if the circumstances surrounding the disclosure  
3 evidence conscious disregard of the possibility that an  
4 adversary might obtain the protected material. Here,  
5 although the privilege logs are minimal, I don't think that  
6 they warrant in camera review or updated privilege logs.

7 The record before the Court reflects that the  
8 communications at issue here are between outside counsel in  
9 this case for plaintiff's case and outside counsel for  
10 plaintiff in another case. The context that they were made  
11 in connection with this litigation, the emails appear to  
12 begin in Exhibit B, approximately in June, end of June 2017  
13 which is just before the New Jersey case got filed, and they  
14 continue on up to and including and after the Delaware case  
15 got filed.

16 In fact, many are co-filing of the complaint in  
17 this case. And of course, in the District of Delaware, we  
18 usually don't even require a privilege log with respect to  
19 information generated after the filing of the complaint.

20 And again, as we confirmed on the phone today,  
21 there's no anti-trust claim here, so there's no arguments  
22 that the discussions themselves were unlawful or that the  
23 fact that the discussions were occurring are relevant to any  
24 parties' claim or defense.

25 I think that resolves the issue. Anything

1 further from counsel for plaintiff?

2 MR. SAMUELS: No, Your Honor.

3 THE COURT: Anything further from counsel for  
4 defendant?

5 MR. SIMMONS: No. Thanks for letting us be  
6 heard, Your Honor.

7 THE COURT: All right. Very good. Thank you to  
8 all of you. I appreciate hearing from you. I hope you are  
9 staying safe and well and take care.

10 Bye-bye.

11 (Teleconference was concluded at 3:22 p.m.)

12 I hereby certify the foregoing is a true and  
13 accurate transcript from my stenographic notes in the  
14 proceeding.

15 /s/ Heather M. Triozzi  
16 Certified Merit and Real-Time Reporter  
17 U.S. District Court  
18  
19  
20  
21  
22  
23  
24  
25